

STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN

1

QUARTERLY FINANCIAL REPORTING FORM

Submitted on 2/18/2004 5:40:08 PM

		1
1.	FOR THE QUARTER ENDING:	December 31, 2003
2.	Name:	Private Medical-Care, Inc.
3.	File Number:(Enter last three digits) 933-0	079
4.	Date Incorporated or Organized:	August 13, 1968
5.	Date Licensed as a HCSP:	November 1, 1969
6.	Date Federally Qualified as a HCSP:	N/A
7.	Date Commenced Operation:	November 1, 1969
8.	Mailing Address:	12898 Towne Center Drive, Cerritos, California 90703
9.	Address of Main Administrative Office:	12898 Towne Center Drive, Cerritos, California 90703
10.	Telephone Number:	(562) 924-8311
11.	HCSP's ID Number:	933-0079
12.	Principal Location of Books and Records:	12898 Towne Center Drive, Cerritos, California 90703
13.	Plan Contact Person and Phone Number:	Melissa Gee, (415) 972-8396
14.	Financial Reporting Contact Person and Phone Number:	James Carney, (562) 467-7795
15.	President:*	Robert Burton Elliott
16.	Secretary:*	Sharon Louise Rafter
17.	Chief Financial Officer:*	Elizabeth Margaret Russell
18.	Other Officers:*	Belinda Martinez, Vice President
19.		Philip Joseph Runnoe, Assistant Treasurer
20.		Melissa Kay Gee, Assistant Secretary
21.		
22.	Directors:*	Gary Dennis Radine
23.		Elizabeth Margaret Russell
24.		Michael Bernard Kaufmann
25.		Jerry Reid Holcombe
26.		Marilyn Godby Belek DMD
27.		Anthony Scott Barth
28.		
29.		
30.		
31.		

The officers listed on lines 15 through 17 of the health care service plan noted on line 2, being duly sworn, each for himself or herself, deposes and says that they are the officers of the said health care service plan, and that, for the reporting period stated above, all of the herein assets were the absolute property of the said health care service plan, free and clear from any liens or claims thereon, except as herein stated, and that these financial statements, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said health care service plan as of the reporting period stated above, and of its income and deductions therefrom for the period reported, according to the best of their information, knowledge and belief, respectively.

32.	President	Robert Burton Elliott (please type for valid signature)
33.	Secretary	Sharon Louise Rafter (please type for valid signature)
34.	Chief Financial Officer	Elizabeth Margaret Russell (please type for valid signature)
* Show full name (initials not accepted) and indicate by sign (#) those officers and directors who did not occupy the indicated position in the previous statement.		
35.	Check if this is a revised filing, and complete question 7 on page 2: <input type="checkbox"/>	
36.	If all dollar amounts are reported in thousands (000), check here: <input type="checkbox"/>	

Check My Work.

STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN

QUARTERLY FINANCIAL REPORTING FORM

SUPPLEMENTAL INFORMATION

		1
1.	Are footnote disclosures attached with this filing?	Yes <input type="button" value="v"/>
2.	Is the attached reporting form filed on a consolidated or combined basis? If "Yes", the plan is required to file consolidating or combining schedules.	Yes <input type="button" value="v"/>
3.	Is the plan required to file additional information (i.e. parent/affiliate financial statements, claims reports, etc.) that is required by the Department?	No <input type="button" value="v"/>
4.	Have the Restricted Assets changed from the previous quarterly filing? If "yes", complete Schedule A-2 (Restricted Assets).	No <input type="button" value="v"/>
5.	Are there any significant changes reported on Schedule G, Section III?	No <input type="button" value="v"/>
6.	If "yes", describe:	
7.	If this is a revised reporting form, what is/are the reason(s) for the revision?	

STATEMENT AS OF 12-31-2003 OF 933-0079 Private Medical-Care, Inc.

REPORT #1 ---- PART A: ASSETS

1	2
CURRENT ASSETS:	Current Period
1. Cash and Cash Equivalents	8,630,902
2. Short-Term Investments	
3. Premiums Receivable - Net	3,528,340
4. Interest Receivable	1,252
5. Shared Risk Receivables - Net	
6. Other Health Care Receivables - Net	515,512
7. Prepaid Expenses	775,977
8. Secured Affiliate Receivables - Current	12,187,500
9. Unsecured Affiliate Receivables - Current	3,390,804
10. Aggregate Write-Ins for Current Assets	0
11. TOTAL CURRENT ASSETS (Items 1 to 10)	29,030,287
OTHER ASSETS:	
12. Restricted Assets	346,093
13. Long-Term Investments	939,726
14. Intangible Assets and Goodwill - Net	
15. Secured Affiliate Receivables - Long-Term	
16. Unsecured Affiliate Receivables - Past Due	
17. Aggregate Write-Ins for Other Assets	27,463
18. TOTAL OTHER ASSETS (Items 12 to 17)	1,313,282
PROPERTY AND EQUIPMENT	
19. Land, Building and Improvements	
20. Furniture and Equipment - Net	843,960
21. Computer Equipment - Net	720,159
22. Leasehold Improvements -Net	548,999
23. Construction in Progress	585,819
24. Software Development Costs	14,793,699
25. Aggregate Write-Ins for Other Equipment	0
26. TOTAL PROPERTY AND EQUIPMENT (Items 19 to 25)	17,492,636
27. TOTAL ASSETS	47,836,205
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR CURRENT ASSETS	
1001.	
1002.	
1003.	
1004.	
1098. Summary of remaining write-ins for Item 10 from overflow page	
1099. TOTALS (Items 1001 thru 1004 plus 1098)	0

DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER ASSETS	
1701. Note Receivable	2,426
1702. Deposit	25,037
1703.	
1704.	
1798. Summary of remaining write-ins for Item 17 from overflow page	
1799. TOTALS (Items 1701 thru 1704 plus 1798)	27,463
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT	
2501.	
2502.	
2503.	
2504.	
2598. Summary of remaining write-ins for Item 25 from overflow page	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	0

STATEMENT AS OF 12-31-2003 OF 933-0079 Private Medical-Care, Inc.

REPORT #1 ---- PART B: LIABILITIES AND NET WORTH

1	2	3	4
CURRENT LIABILITIES:	Current Period		
	Contracting	Non-Contracting	Total
1. Trade Accounts Payable	6,022,120	XXX	6,022,120
2. Capitation Payable	45,828	XXX	45,828
3. Claims Payable (Reported)	1,291,581	114,928	1,406,509
4. Incurred But Not Reported Claims	4,565,150	598,556	5,163,706
5. POS Claims Payable (Reported)			0
6. POS Incurred But Not Reported Claims			0
7. Other Medical Liability			0
8. Unearned Premiums	7,768,511	XXX	7,768,511
9. Loans and Notes Payable		XXX	0
10. Amounts Due To Affiliates - Current	1,643,236	XXX	1,643,236
11. Aggregate Write-Ins for Current Liabilities	0	0	0
12. TOTAL CURRENT LIABILITIES (Items 1 to 11)	21,336,426	713,484	22,049,910
OTHER LIABILITIES:			
13. Loans and Notes Payable (Not Subordinated)		XXX	0
14. Loans and Notes Payable (Subordinated)		XXX	0
15. Accrued Subordinated Interest Payable		XXX	0
16. Amounts Due To Affiliates - Long Term		XXX	0
17. Aggregate Write-Ins for Other Liabilities	8,288,219	XXX	8,288,219
18. TOTAL OTHER LIABILITIES (Items 13 to 17)	8,288,219	XXX	8,288,219
19. TOTAL LIABILITIES	29,624,645	713,484	30,338,129
NET WORTH			
20. Common Stock	XXX	XXX	
21. Preferred Stock	XXX	XXX	
22. Paid In Surplus	XXX	XXX	
23. Contributed Capital	XXX	XXX	
24. Retained Earnings (Deficit)/Fund Balance	XXX	XXX	17,498,076
25. Aggregate Write-Ins for Other Net Worth Items	XXX	XXX	0
26. TOTAL NET WORTH (Items 20 to 25)	XXX	XXX	17,498,076
27. TOTAL LIABILITIES AND NET WORTH	XXX	XXX	47,836,205
DETAILS OF WRITE-INS AGGREGATED AT ITEM 11 FOR CURRENT LIABILITIES			
1101.			0
1102.			0
1103.			0
1104.			0
1198. Summary of remaining write-ins for Item 11 from overflow page			0
1199. TOTALS (Items 1101 thru 1104 plus 1198)	0	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABILITIES			
1701. Accrued Retirement Benefits	4,254,664	XXX	4,254,664
1702. Accrued Payroll	3,613,837	XXX	3,613,837
1703. Deferred Compensation	419,718	XXX	419,718
1704.		XXX	0
1798. Summary of remaining write-ins for Item 17 from overflow page		XXX	0
1799. TOTALS (Items 1701 thru 1704 plus 1798)	8,288,219	XXX	8,288,219

DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER NET WORTH ITEMS			
2501.		XXX	XXX
2502.		XXX	XXX
2503.		XXX	XXX
2504.		XXX	XXX
2598.	Summary of remaining write-ins for Item 25 from overflow page	XXX	XXX
2599.	TOTALS (Items 2501 thru 2504 plus 2598)	XXX	XXX0

STATEMENT AS OF 12-31-2003 OF 933-0079 Private Medical-Care, Inc.

REPORT #2: REVENUE, EXPENSES AND NET WORTH

	1	2
	Current Period	Year-To-Date
REVENUES:		
1. Premiums (Commercial)	35,477,849	142,746,070
2. Capitation		
3. Co-payments, COB, Subrogation		
4. Title XVIII - Medicare		
5. Title XIX - Medicaid		
6. Fee-For-Service	1,475	8,599
7. Point-Of-Service (POS)		
8. Interest	182,668	897,927
9. Risk Pool Revenue		
10. Aggregate Write-Ins for Other Revenues	926,334	3,594,358
11. TOTAL REVENUE (Items 1 to 10)	36,588,326	147,246,954
EXPENSES:		
Medical and Hospital		
12. Inpatient Services - Capitated		
13. Inpatient Services - Per Diem		
14. Inpatient Services - Fee-For-Service/Case Rate		
15. Primary Professional Services - Capitated	18,041,033	70,896,476
16. Primary Professional Services - Non-Capitated	6,188,410	26,207,781
17. Other Medical Professional Services - Capitated		
18. Other Medical Professional Services - Non-Capitated		
19. Non-Contracted Emergency Room and Out-of-Area Expense, not including POS		
20. POS Out-Of-Network Expense		
21. Pharmacy Expense - Capitated		
22. Pharmacy Expense - Fee-for-Service		
23. Aggregate Write-Ins for Other Medical and Hospital Expenses	768,566	2,937,513
24. TOTAL MEDICAL AND HOSPITAL (Items 12 to 23)	24,998,009	100,041,770
Administration		
25. Compensation	7,264,456	24,903,103
26. Interest Expense	0	62,968
27. Occupancy, Depreciation and Amortization	1,488,065	6,137,870
28. Management Fees		
29. Marketing	1,839,473	7,127,347
30. Affiliate Administration Services	1,800,018	6,384,577
31. Aggregate Write-Ins for Other Administration	-1,804,864	2,178,318
32. TOTAL ADMINISTRATION (Items 25 to 31)	10,587,148	46,794,183
33. TOTAL EXPENSES	35,585,157	146,835,953
34. INCOME (LOSS)	1,003,169	411,001
35. Extraordinary Item		
36. Provision for Taxes		
37. NET INCOME (LOSS)	1,003,169	411,001
NET WORTH:		
38. Net Worth Beginning of Period	16,494,907	17,087,075

39.	Audit Adjustments		
40.	Increase (Decrease) in Common Stock		
41.	Increase (Decrease) in Preferred Stock		
42.	Increase (Decrease) in Paid in Surplus		
43.	Increase (Decrease) in Contributed Capital		
44.	Increase (Decrease) in Retained Earnings:		
45.	Net Income (Loss)	1,003,169	411,001
46.	Dividends to Stockholders		
47.	Aggregate Write-Ins for Changes in Retained Earnings	0	0
48.	Aggregate Write-Ins for Changes in Other Net Worth Items	0	0
49.	NET WORTH END OF PERIOD (Items 38 to 48)	17,498,076	17,498,076

STATEMENT AS OF 12-31-2003 OF 933-0079 Private Medical-Care, Inc.

REPORT #2: REVENUE, EXPENSES AND NET WORTH

1	2	3
	Current Period	Year-to-Date
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER REVENUES		
1001. Administrative Income	926,334	3,594,358
1002.		
1003.		
1004.		
1005.		
1006.		
1098. Summary of remaining write-ins for Item 10 from overflow page		
1099. TOTALS (Items 1001 thru 1006 plus 1098)	926,334	3,594,358
DETAILS OF WRITE-INS AGGREGATED AT ITEM 23 FOR OTHER MEDICAL AND HOSPITAL EXPENSES		
2301. Quality Assurance	768,566	2,937,513
2302.		
2303.		
2304.		
2305.		
2306.		
2398. Summary of remaining write-ins for Item 23 from overflow page		
2399. TOTALS (Items 2301 thru 2306 plus 2398)	768,566	2,937,513
DETAILS OF WRITE-INS AGGREGATED AT ITEM 31 FOR OTHER ADMINISTRATIVE EXPENSES		
3101. Other Administrative Expense	-1,804,864	2,178,318
3102.		
3103.		
3104.		
3105.		
3106.		
3198. Summary of remaining write-ins for Item 31 from overflow page		
3199. TOTALS (Items 3101 thru 3106 plus 3198)	-1,804,864	2,178,318
DETAILS OF WRITE-INS AGGREGATED AT ITEM 47 FOR CHANGES IN RETAINED EARNINGS		
4701.		
4702.		
4703.		
4704.		
4705.		
4706.		
4798. Summary of remaining write-ins for Item 47 from overflow page		
4799. TOTALS (Items 4701 thru 4706 plus 4798)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 48 FOR CHANGES OF OTHER NET WORTH ITEMS		
4801.		
4802.		
4803.		
4804.		
4805.		
4806.		
4898. Summary of remaining write-ins for Item 48 from overflow page		
4899. TOTALS (Items 4801 thru 4806 plus 4898)	0	0

REPORT #3: STATEMENT OF CASH FLOWS

1	2	3
	Current Period	Year-to-Date
CASH FLOW PROVIDED BY OPERATING ACTIVITIES		
1. Group/Individual Premiums/Capitation	37,437,863	144,298,209
2. Fee-For-Service	1,475	8,599
3. Title XVIII - Medicare Premiums		
4. Title XIX - Medicaid Premiums		
5. Investment and Other Revenues	1,108,749	4,494,307
6. Co-Payments, COB and Subrogation		
7. Medical and Hospital Expenses	-25,028,694	-102,696,839
8. Administration Expenses	-8,435,008	-43,493,098
9. Federal Income Taxes Paid		
10. Interest Paid		-62,968
11. NET CASH PROVIDED BY OPERATING ACTIVITIES	5,084,385	2,548,210
CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
12. Proceeds from Restricted Cash and Other Assets		18,704
13. Proceeds from Investments		9,775,603
14. Proceeds for Sales of Property, Plant and Equipment		
15. Payments for Restricted Cash and Other Assets	-16	-1,986
16. Payments for Investments	-352,856	-768,018
17. Payments for Property, Plant and Equipment	-382,042	-782,165
18. NET CASH PROVIDED BY INVESTING ACTIVITIES	-734,914	8,242,138
CASH FLOW PROVIDED BY FINANCING ACTIVITIES:		
19. Proceeds from Paid in Capital or Issuance of Stock		
20. Loan Proceeds from Non-Affiliates		
21. Loan Proceeds from Affiliates		
22. Principal Payments on Loans from Non-Affiliates		
23. Principal Payments on Loans from Affiliates		-10,000,000
24. Dividends Paid		
25. Aggregate Write-Ins for Cash Provided by Financing Activities	0	-103,981
26. NET CASH PROVIDED BY FINANCING ACTIVITIES	0	-10,103,981
27. NET INCREASE (DECREASE) IN CASH (Items 11, 18 & 26)	4,349,471	686,367
28. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE QUARTER	4,281,431	7,944,535
29. CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER	8,630,902	8,630,902
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
30. Net Income	1,003,169	411,001
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
31. Depreciation and Amortization	998,778	4,187,543
32. Decrease (Increase) in Receivables	673,362	1,646,236
33. Decrease (Increase) in Prepaid Expenses	129,444	125,031
34. Decrease (Increase) in Affiliate Receivables	-1,818,748	-2,681,618
35. Increase (Decrease) in Accounts Payable	1,522,760	-971,293
36. Increase (Decrease) in Claims Payable and Shared Risk Pool	-33,294	-2,657,441
37. Increase (Decrease) in Unearned Premium	1,286,652	-94,097
38. Aggregate Write-Ins for Adjustments to Net Income	1,322,262	2,582,848
39. TOTAL ADJUSTMENTS (Items 31 through 38)	4,081,216	2,137,209
40. NET CASH PROVIDED BY OPERATING ACTIVITIES (Item 30 adjusted by Item 39 must agree to Item 11)	5,084,385	2,548,210
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES		
2501. Capital Lease		-103,981
2502.		
2503.		
2598. Summary of remaining write-ins for Item 25 from overflow page		
2599. TOTALS (Items 2501 thru 2503 plus 2598)	0	-103,981

DETAILS OF WRITE-INS AGGREGATED AT ITEM 38 FOR ADJUSTMENTS TO NET INCOME		7
3801. Accrued Payroll	1,138,252	1,112,884
3802. Accrued Retirement	230,580	922,320
3803. Other Receivable	-59,763	-208,235
3898. Summary of remaining write-ins for Item 38 from overflow page	13,193	755,879
3899. TOTALS (Items 3801 thru 3803 plus 3898)	1,322,262	2,582,848

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REPORT #4: ENROLLMENT AND UTILIZATION TABLE**TOTAL ENROLLMENT**

1 Source of Enrollment	2 Total Enrollees At End of Previous Period	3 Additions During Period	4 Terminations During Period	5 Total Enrollees at End of Period	6 Cumulative Enrollee Months for Period	Total Member Ambulatory Encou	
						7 Physicians	8 Non-Physicians
1. Group (Commercial)	926,475	2,374	9,986	918,863	2,763,294		141,728
2. Medicare Risk				0			
3. Medi-Cal Risk				0			
4. Individual	89,801	627	24	90,404	271,231		13,911
5. Point of Service				0			
6. Aggregate write-ins for Other	0	0	0	0	0	0	0
7. Total Membership	1,016,276	3,001	10,010	1,009,267	3,034,525	0	155,639
DETAILS OF WRITE-INS AGGREGATED AT ITEM 6 FOR OTHER SOURCES OF ENROLLMENT							
601. Small Group				0			
602. Healthy Families				0			
603. AIM				0			
604. Medicare Cost				0			
605. ASO				0		N/A	N/A
606. PPO				0			
607.				0			
608.				0			
609.				0			
610.				0			
611.				0			
612.				0			
Summary of remaining write-ins for 698. Item 6 from overflow page				0			
Totals (lines 601 through 612 plus 699. 698) (Line 6 above)	0	0	0	0	0	0	0

SCHEDULE A-1 (CASH)

1	2	3
Name of Depository (List all accounts even if closed during the period)	Account Number	Balance*
1. Wells Fargo Bank 10200CA	4031-054380	5,006,553
2. Wells Fargo Bank 10200TX	4031-049398	933,066
3. Wells Fargo Bank 10400CA	2300148117	2,064,759
4. Wells Fargo Bank 10200NV	4589-619303	289,388
5. Wells Fargo Bank 10200UT	4031-056674	288,979
6. Fleet Bank 10300CA	000-197-2077	45,157
7. Others		
8.		
9. Total Cash on Deposit		8,627,902
10. Cash on Hand (Petty Cash)		3,000
11. Total Cash on Hand and on Deposit (Report #1, Part A, Line 1)		8,630,902

SCHEDULE A-2 RESTRICTED ASSETS

1	2	3
Name of Depository (List all accounts even if closed during period)	Account Number	Balance*
12. Wells Fargo Bank	1031698020	50,000
13. Chase Bank of Texas	88805177219	150,000
14. Wells Fargo Bank	2201306400	30,000
15. First Union National Bank	807200751	99,715
16. Bank Of America	590034062	16,378
17.		
18.		
19. Total Restricted Assets		346,093

* Indicate the Balance Per the HMO's Records

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STATEMENT AS OF 12-31-2003 OF 933-0079 Private Medical-Care, Inc.

SCHEDULE C - PREMIUMS RECEIVABLE (Other than Affiliates)

Individually list all debtors (commercial only) with account balances greater than 5% of gross Premiums Receivable. Group the total of all other premiums receivables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed."

	1 Name of Debtor	2 1-30 Days	3 31-60 Days	4 61-90 Days	5 Over 90 Days	6 Total
1.	Aggregate Accounts Not Individually Listed	1,830,989	1,236,032	461,319		3,528,340
2.						0
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
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14.						0
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16.						0
17.						0
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36.						0
37.						0
38.						0
39.						0
40.						0
41.						0
42.						0
43.						0
44.						0
45.						0
46.						0
47.						0

48.					0
49.					0
50.					0
51.					0
52.					0
53.					0
54.	Aggregate Accounts Not Individually Listed				0
55.	Total	1,830,989	1,236,032	461,319	0
					3,528,340

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STATEMENT AS OF 12-31-2003 OF 933-0079 Private Medical-Care, Inc.

SCHEDULE D
HEALTH CARE RECEIVABLES &
AMOUNTS DUE FROM PARENT, SUBSIDIARIES, AND AFFILIATES

Individually list all debtors with account balances greater than 10% of gross Receivables. Group the total of all other receivables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed."

	1 Name of Debtor	2 1-30 Days	3 31-60 Days	4 61-90 Days	5 Over 90 Days	6 Total
1.	Delta Dental Insurance Company	3,390,804				3,390,804
2.						0
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
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31.						0
32.						0
33.						0
34.						0
35.						0
36.						0
37.						0
38.						0
39.						0
40.						0
41.						0
42.						0
43.						0
44.						0
45.						0

46.					0
47.					0
48.					0
49.					0
50.					0
51.					0
52.					0
53.					0
54.	Aggregate Accounts Not Individually Listed				0
55.	Total	3,390,804	0	0	3,390,804

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STATEMENT AS OF 12-31-2003 OF 933-0079 Private Medical-Care, Inc.

SCHEDULE F - ACCOUNTS PAYABLE

Individually list all creditors with account balances greater than 5% of total trade accounts payable. Group the total of all other payables and enter it as "Aggregate Accounts Not Individually Listed - Due." Report accounts payable from the initial date of billing or due date under column "Individually Listed - Due." Report accounts payable from the initial date of billing or due date under column "Individually Listed - Due."

	1 Name of Debtor	2 1-30 Days	3 31-60 Days	4 61-90 Days
1.	Aggregate Accounts Not Individually Listed - Due	6,022,120		
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
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22.				
23.	Aggregate Accounts Not Individually Listed - Due			
24.	Total	6,022,120	0	0

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the total on the line titled, "Aggregate Accounts Not Contract.

5 91-120 Days	6 Over 120 Days	7 Total
		6,022,120
		0
		0
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0	0	6,022,120

SCHEDULE G - UNPAID CLAIMS ANALYSIS
SECTION I - CLAIMS UNPAID

Type of Claim	1 Reported Claims in Process of Adjustment	2 Estimated Incurred but Unreported	3 Total - Unpaid Claims (Columns 4+5 of Section II)
1. Inpatient Claims			0
2. Physician Claims			0
3. Referral Claims			0
4. Other Medical	1,406,509	5,163,706	6,570,215
5. TOTAL	1,406,509	5,163,706	6,570,215

SECTION II - ANALYSIS OF CLAIMS UNPAID - PREVIOUS YEAR (FILE ANNUAL ONLY)

1 Type of Claim	Claims Paid During the Fiscal Year		Unpaid Claims During the Fiscal Year		6 Total Claims (Paid and Unpaid) for the Previous Fiscal Year (2+4)	7 Estimated Liability of Unpaid Claims Prior to the first day of the Prior Year
	2 On Claims Incurred Prior to the first day of the Current Fiscal Year	3 On Claims Incurred During the Fiscal Year	4 On Claims Unpaid Prior to the first day of the Previous Fiscal Year	5 On Claims Incurred During the Year		
6. Inpatient Claims					0	
7. Physician Claims					0	
8. Referral Claims					0	
9. Other Medical					0	
10. TOTAL	0	0	0	0	0	0

SECTION III - INVENTORY OF CLAIMS TO BE PROCESSED*

1 Month Ending	2 Beginning Balance Number of Claims in inventory on the 1st of each month	3 Add - Claims Received during the month	4 Deduct - Claims paid during the month	5 Deduct - Claims denied during the month	6 Add/Deduct - Adjustments	7 Ending Balance Number of claims in inventory at the end of the month
11. January	7,107	20,234	20,994	2,739	-169	3,439
12. February	3,439	21,436	15,924	2,353	46	6,644
13. March	6,644	22,243	19,209	2,789	-25	6,864
14. April	6,864	21,738	18,229	2,391	-236	7,746
15. May	7,746	21,821	19,159	2,828	-82	7,498
16. June	7,498	20,261	19,099	2,238	-192	6,230
17. July	6,230	22,474	18,454	2,771	-169	7,310
18. August	7,310	21,170	18,763	2,516	-132	7,069
19. September	7,069	21,844	20,582	2,719	1,083	6,695
20. October	6,695	22,612	20,421	2,562	-45	6,279
21. November	6,279	17,664	13,402	2,094	-205	8,242
22. December	8,242	18,856	16,494	2,570	-191	7,843

* Describe any significant changes reported on Schedule G, Section III in the Supplemental Schedule (Page 2).

**

STATEMENT AS OF 12-31-2003 OF 933-0079 Private Medical-Care, Inc.

SCHEDULE H - AGING OF ALL CLAIMS

Age all claims on hand at the end of each month. Use the date of receipt to determine the number of days the claims is outstanding. The amount reported in Column 6 should equal the amount Reported on Schedule G, Section III, Column 7.

1.	1 Month Ending	2 1-30 Days	3 31-60 Days	4 61-90 Days	5 Over 90 Days	6 Total
2.	January	3,439				3,439
3.	February	6,644				6,644
4.	March	6,864				6,864
5.	April	7,746				7,746
6.	May	7,498				7,498
7.	June	6,230				6,230
8.	July	7,310				7,310
9.	August	7,069				7,069
10.	September	6,695				6,695
11.	October	6,279				6,279
12.	November	8,242				8,242
13.	December	7,843				7,843

**

STATEMENT AS OF 12-31-2003 OF 933-0079 Private Medical-Care, Inc.

SCHEDULE I - ANALYSIS OF TOTAL MEDICAL LIABILITY TO ACTUAL CLAIMS PAID

Using the Plan's Lag Tables, complete the following table. Provide claim information the current quarter and the previous seven quarters. An actuarial certification may be submitted in lieu of this schedule.

Reported Accrual				
1	2	3	4	5
Quarter Ending Date	Total Medical Liability*	Amount Paid-To-Date	Difference - Column (2-3)	Outstanding Liability (Based on plan's lag
1. See Attached Actuarial Report		XXX	0	
2. On Sheet 4 Quarter			0	
3. Previous 2 Quarters			0	
4. Previous 3 Quarters			0	
5. Previous 4 Quarters			0	
6. Previous 5 Quarters			0	
7. Previous 6 Quarters			0	
8. Previous 7 Quarters			0	

* Should tie to Report #1, Part B, Columns 1 & 2, Lines 3 through 7.

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NOTES TO FINANCIAL STATEMENTS	
1.	Notes are on Sheets 1, 2 and 3 due to formatting issues
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OVERFLOW PAGE FOR WRITE-INS	
1.	OVERFLOW PAGE FOR WRITE-INS HAS BEEN MOVED TO SHEET 5 DUE TO FORMAT ISSUE
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STATEMENT AS OF 12-31-2003 OF 933-0079 Private Medical-Care, Inc.

KNOX-KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1300.84.06, 1300.84.2 AND 1374.68

	1	2	3	4	5
A.	Explanation of the method of calculating the provision for incurred and unreported claims:				
1.					
B.	Accounts and Notes Receivable from officers, directors, owners or affiliates, as detailed below:				
	Name of Debtor	Nature of Relationship	Nature of Receivable	Amount	Terms
2.	Delta Dental Insurance Company	Affiliate	Operational	3,390,804	30 days
3.					
4.					
5.					
6.					
C.	Donated materials or services received by the reporting entity for the period of the financial statements, as detailed below:				
	Donor's Name	Affiliation with Reporting Entity	Valuation Method	Amount	
7.					
8.					
9.					
10.					
11.					
D.	Forgiven debt or obligations, as detailed below:				
	Creditor's Name	Affiliation with Reporting Entity	Summary of How Obligation Arose	Amount	
12.					
13.					
14.					
15.					
E.	Calculation of Tangible Net Equity (TNE) and Required TNE in accordance with Section 1300.76 of the Rules:				
16.	Net Equity			\$	17,498,076
17.	Add: Subordinated Debt			\$	
18.	Less: Receivables from officers, directors, and affiliates			\$	5,470,647
19.	Intangibles			\$	
20.	Tangible Net Equity (TNE)			\$	12,027,429
21.	Required Tangible Net Equity (See Page 22)			\$	1,494,173
22.	TNE Excess (Deficiency)			\$	10,533,256
F.	Percentage of administrative costs to revenue obtained from subscribers and enrollees:				
23.	Revenue from subscribers and enrollees			\$	142,754,669
24.	Administrative Costs			\$	37,046,870
25.	Percentage				26
26.	The amount of health care expenses incurred during the six month period immediately preceding the date of the report which were or will be paid to noncontracting providers or directly reimbursed to subscribers and enrollees:			\$	1,233,476
27.	Total costs for health care services for the immediately preceding six months:			\$	50,076,373
28.	Percentage				2

		1
<p>G. If the amount of health care expenses incurred during the six month period immediately preceding the date of the report which <u>were or will be</u> paid to noncontracting providers or directly reimbursed to subscribers and enrollees exceeds 10% of the total costs for health care services for the immediately preceding six months, the following information, determined as of the date of the reports, shall be provided:</p>		
29. Amount of all claims for noncontracting provider services received for reimbursement but not yet processed:	\$	
30. Amount of all claims for noncontracting provider services denied for reimbursement during the previous 45 days:	\$	
31. Amount of all claims for noncontracting provider services approved for reimbursement but not yet paid:	\$	
32. An estimate of the amount of claims for noncontracting provider services incurred, but not reported:	\$	
33. Compliance with Section 1377(a) as determined in accordance with such section, as follows:		
34. Cash & cash equivalents maintained	\$	
35. Noncontracting provider claims (aggregate of total of items 29 - 32 above)	\$	0
36. Cash & cash equivalents reported to be maintained (120% x Line 35)	\$	0
37. Deposit required (100% of Line 36)	\$	0
38. Excess (deficient) reserves (Line 34 - Line 37)	\$	0
Percentage of premium revenue earned from point-of-service plan contracts:		
39. Premium revenue earned from point-of-service plan contracts	\$	
40. Total premium revenue earned	\$	
41. Percentage		0
Percentage of total health care expenditures incurred for enrollees for out-of-network services for point-of-service enrollees:		
42. Health care expenditures for out-of-network services for point-of-service enrollees	\$	
43. Total health care expenditures	\$	
44. Percentage		0
45. Point-of-Service Enrollment at end of period		
Total Ambulatory encounters for period for point-of-service enrollees:		
46. Physician		
47. Non-Physician		
48. Total		0
49. Total Patient Days Incurred for Point-of-Service enrollees		
50. Annualized Hospital Days/1000 for Point-of-Service enrollees		
51. Average Length of Stay for Point of Service enrollees		
52. Compliance with Section 1374.68(a) as follows:		
53. Current Monthly Claims Payable for out-of-network coverage or services provided under Point-of-Service Contracts:	\$	
54. Current monthly incurred but not reported claims balance for out-of-network coverage or services provided under Point-of-Service contracts	\$	
55. Total	\$	0
56. Total times 120%	\$	0
57. Deposit (Greater of Line 56 or minimum of \$200,000)	\$	

STATEMENT AS OF 12-31-2003 OF 933-0079 Private Medical-Care, Inc.

REQUIRED TANGIBLE NET EQUITY (TNE) CALCULATION:

TNE required must be equal to the GREATER of "A" "B" or "C" below (See Rule 1300.76)

		Full Service Plans	Specialized Plans
		1	2
A.	Minimum TNE Requirement	\$ 1,000,000	\$ 50,000
B.	REVENUES:		
1.	2% of the first \$150 million of annualized premium revenues	\$	2% of the first \$7.5 million of annualized premium revenue \$ 150,000
	Plus		Plus
2.	1% of annualized premium revenues in excess of \$150 million	\$	1% of annualized premium revenue in excess of \$7.5 million \$ 1,344,173
3.	Total	\$ 0	\$ 1,494,173
C.	HEALTHCARE EXPENDITURES:		
4.	8% of the first \$150 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$	8% of the first \$7.5 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis. \$ 600,000
	Plus		Plus
5.	4% of annualized health care expenditures in excess of \$150 million except those paid on a capitated or managed hospital payment basis.	\$	4% of annualized health care expenditures in excess of \$7.5 million except those paid on a capitated or managed hospital payment basis. \$ 813,116
	Plus		Plus
6.	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$	4% of the annualized hospital expenditures paid on a managed hospital payment basis. \$
7.	Total	\$ 0	\$ 1,413,116
8.	Required "TNE" - Greater of "A" "B" or "C"	\$	Required "TNE" - Greater of "A" "B" or "C" \$ 1,494,173

**KNOX -KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1374.64**

POINT OF SERVICE TANGIBLE NET EQUITY CALCULATION

Calculation of Tangible Net Equity and required Tangible Net Equity in accordance with Section 1374.64:

	1	
1. Net Equity	\$	17,498,076
2. Add: Subordinated Debt	\$	
3. Less: Receivables from officers, directors, and affiliates	\$	
4. Intangibles	\$	
5. Tangible Net Equity (TNE)	\$	17,498,076
6. Required Tangible Net Equity (From Line 10 or 13 below)	\$	
7. TNE Excess (Deficiency)	\$	17,498,076
ADJUSTED MINIMUM TANGIBLE NET EQUITY CALCULATION (Complete Section I or II):		
I. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(1) or (2):		
8. Minimum TNE as calculated under Rule 1300.76 (a)(1) or (2)	\$	
9. 10% of annualized health care expenditures for out-of-network service for point-of-service enrollees	\$	
10. Add lines 8 and 9	\$	0
II. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(3):		
<u>PART A</u>		
11. Minimum TNE as recalculated to exclude annualized healthcare expenditures for out-of-network services for point-of-service enrollees (attach worksheet Page 24)	\$	
12. 10% of annualized health care expenditures for out-of-network services for point-of-service enrollees	\$	
13. Add lines 11 and 12	\$	0
III. MINIMUM TNE REQUIREMENT TO DETERMINE MONTHLY REPORTING		
14. Line 5 (above)	\$	17,498,076
15. Multiply Line 6 (above) by 130%	\$	0
16. Difference (Line 14 - Line 15)	\$	17,498,076
If Line 14 is less than Line 15, then monthly reporting is required		

STATEMENT AS OF 12-31-2003 OF 933-0079 Private Medical-Care, Inc.

WORKSHEET FOR ADJUSTED TANGIBLE NET EQUITY CALCULATION

	1 Full Service Plans	2 Specialized Plans
1. Health care expenditures for period	\$ <input type="text"/>	\$ <input type="text"/>
Less:		
2. Capitated or managed hospital payment basis expenditures	<input type="text"/>	<input type="text"/>
3. Health care expenditures for out-of-network services for point-of-service enrollees	<input type="text"/>	<input type="text"/>
4. Result	<input type="text" value="0"/>	<input type="text" value="0"/>
5. Annualized	<input type="text"/>	<input type="text"/>
6. Reduce to maximum of \$150 million	<input type="text"/>	<input type="text"/>
7. Multiply by 8%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
8. Annualized health care expenditures except those paid on a capitated or managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
9. Less \$150 million	<input type="text"/>	<input type="text"/>
10. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
11. Annualized hospital expenditures paid on a managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
12. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
13. Total	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>

STATEMENT AS OF 12-31-2003 OF 933-0079 Private Medical-Care, Inc.

A. NATURE OF ORGANIZATION

Private Medical-Care, Inc. ("The Company"), a tax-exempt, nonprofit California corporation, as well as Alpha Dental Programs, Inc. ("Alpha"), and two subsidiaries named DeltaCare Dental Plans, Inc. ("DCDP"), administer and underwrite prepaid dental and vision care programs. The consolidated financial statements of the Company include the accounts of these 100% owned subsidiaries. Intercompany transactions and balances have been eliminated.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Estimates and Assumptions

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as revenues and expenses reported for the periods presented. The Company regularly assesses these estimates and while actual results may differ, management believes that these estimates are reasonable.

Cash and Temporary Investments

Cash and temporary investments consist of demand deposits and money market funds. Certificates of deposit with original maturities in excess of three months are classified separately as restricted assets.

Property and Equipment

Office furniture, equipment and computer systems are stated at cost and depreciated by the straight-line method over their estimated useful lives. Leasehold improvements are stated at cost and are amortized on the straight-line basis over the remaining life of the building lease.

Deferred Compensation Plan

The Company provides a deferred compensation plan, other than a pension plan, for certain management employees. Investments and liabilities related to these programs consist of participant contributions and investment income and are included in long-term investments and other liabilities.

Accrued Professional Services

Accrued physician and referral claims represent estimated unpaid provider services incurred prior to the end of the year and are estimated based upon claims experience. Adjustments resulting from revisions of these estimates are reported in the period in which the revisions are made.

C. RELATED PARTY TRANSACTIONS

Delta Dental Plan of California ("DDPC") has the controlling membership and management contract with the Company. Under the contract, the Company receives management and consulting services from DDPC. The fee for these services amounted to \$1,690,235 for 2002 and \$1,703,823 through December 31, 2003.

The Company participates in a defined benefit pension plan for DDPC and its affiliates. The funding policy is to contribute annually not less than the minimum required by ERISA. The Company's pension expense was \$540,087 for 2002, and \$713,862 through December 31, 2003.

The Company maintains a demand deposit account with DDPC for investment purposes. The balance is available when needed and earned 7.7% in 2002, based on returns obtained by DDPC. The Company's deposit was \$21,399,465 at December 31, 2002 and \$12,187,500 at December 31, 2003. The investment was liquidated by nearly half in the first quarter to obtain funds to retire a \$10,000,000 surplus note with the parent company Delta Dental Plan of California.

STATEMENT AS OF 12-31-2003 OF 933-0079 Private Medical-Care, Inc.

D. POST-RETIREMENT HEALTH BENEFITS PLANS

The Company participates in a post-retirement health benefit plan for DDPC and its affiliates. The assumptions used in the measurement of the Company's benefit obligations for 2002 and 2001 are 8.0% and 8.5% discount rate, respectively, 4.5% to 5.5% compensation rate of increase, 9% expected long-term rate of return on assets and 13% health care rate of increase limited to 4% in 2003.

The accrued post-retirement benefit and accumulated post-retirement benefit obligation for the Company are summarized in the table below:

	2002	2001
Accumulated benefit obligations	<u>\$ 1,020,000</u>	<u>\$ 734,000</u>
Projected benefit obligations	1,020,000	734,000
Fair value of plan assets	<u>-</u>	<u>-</u>
Obligations in excess of assets	<u>\$ 1,020,000</u>	<u>\$ 734,000</u>
Accrued liability	<u>\$ 1,375,000</u>	<u>\$ 1,221,000</u>
	2002	2001
Service cost of benefits earned	\$ 134,000	\$ 107,000
Interest cost on projected benefit oblig	92,000	71,000
Expected return on plan assets	-	-
Amortization of unrecognized prior service cost and experience losses	17,000	(24,000)
Net periodic costs	<u>\$ 243,000</u>	<u>\$ 154,000</u>
Company contributions	<u>\$ 7,000</u>	<u>\$ 6,200</u>
Employee contributions	<u>\$ -</u>	<u>\$ -</u>
Benefit payments	<u>\$ 7,000</u>	<u>\$ 6,200</u>

E. LEASE COMMITMENTS AND CONTINGENCIES

The Company has various operating and capital leases for office facilities and equipment. Those contracts include a fifteen-year sublease for office facilities, which commenced in 1998. Rent expense in 2003, 2002 and 2001 was \$2,788,253, \$3,070,344 and \$2,866,281, respectively.

F. TANGIBLE NET EQUITY

The Company is regulated by the California Department of Managed Health Care and is required to maintain a minimum tangible net equity of approximately \$1,772,718 and \$1,494,173 at December 31, 2002 and December 31, 2003 respectively. Tangible net equity as defined is \$21,470,761 and \$12,027,429 at those dates.

G. Subsidiaries

The consolidated financial statements include results of the Company's national subsidiaries. Year to date results of the individual subsidiaries are:

<u>SUBSIDIARIES</u>	<u>ALPHA</u>	<u>DCDP (Nevada)</u>	<u>DCDP(Utah)</u>	<u>TOTAL</u>
Subscriber Revenue	\$4,758,010	\$459,993	\$82,166	\$5,300,169
Interest and Other Revenue	8,934	1,431	2,983	13,348
Total Revenue	<u>4,766,944</u>	<u>461,424</u>	<u>85,149</u>	<u>5,313,517</u>
Healthcare Expense	2,861,521	382,288	47,283	3,291,092
Administrative Expense	1,905,944	154,601	29,996	2,090,541
Total Expense	<u>4,767,465</u>	<u>536,889</u>	<u>77,279</u>	<u>5,381,633</u>
Net Gain / (Loss)	<u>(\$521)</u>	<u>(\$75,465)</u>	<u>\$7,870</u>	<u>(\$68,116)</u>
Assets	\$ 1,271,222	\$ 298,206	\$ 328,773	\$ 1,898,201
Liabilities	\$ 380,045	\$ 94,291	\$ 32,798	\$ 507,134
Equity	\$ 891,177	\$ 203,915	\$ 295,975	\$ 1,391,067

H. Third Party Administration

Prior regulatory filings included transactions related to national states in which the Company serves as a Third Party Administrator. The recent financial examination (period ending 12/31/2002) conducted by the Department of Managed Health Care stipulated that these Third Party Administrators transactions be eliminated from premiums, healthcare expenses and certain direct administrative costs. The eliminations are summarized in the following schedule.

	TOTAL
Subscriber Revenue	<u>\$ 25,820,180</u>
Healthcare Expense	<u>\$ 22,302,676</u>
Administrative	<u>\$ 2,560,195</u>
Income (Loss)	<u>\$ 957,309</u>
Enrollment	<u>239,354</u>

STATEMENT AS OF 12-31-2003 OF 933-0079 Private Medical-Care, Inc.

I. TANGIBLE NET EQUITY

The Company is regulated by the California Department of Managed Health Care and is required to maintain a minimum tangible net equity of approximately \$1,772,718 and \$1,494,173 at December 31, 2002 and December 31, 2003 respectively. Tangible net equity as defined is \$21,470,761 and \$12,027,429 at those dates.

Table 1 reflects the elimination of \$861,093 from Tangible Net Equity, which represents the minimum Capital and Risk Based Capital requirements and the restricted assets related to PMI's operations outside California.

TABLE 1
EXCLUDES TX, UT, NV, & MD REQUIRED EQUITY AND RESTRICTED ASSETS

Net Worth as of December 31, 2003 (From Section I.A.)	\$ 17,498,076
Less: Receivables from officers, directors, and affiliates and 10% DDPC investment	\$ (4,609,554)
Less; Minimum Risk Based Capital and restricted assets required by other states	<u>\$ (861,093)</u>
Tangible Net Equity	<u>\$ 12,027,429</u>
Required TNE as of December 31, 2003	<u>\$ 1,494,173</u>
Excess TNE as of December 31, 2003	<u><u>\$ 10,533,256</u></u>

Private Medical Care, Inc.

Minimum Capital, Risked Based Capital Requirements and Restricted Assets 12/31/2003

All Requirements

Maryland Restricted Assets	\$ 99,715
Texas Capital Requirements	\$ 500,000
Texas Restricted Assets	\$ 150,000
Nevada Capital Requirements	\$ 50,000
Nevada Restricted Assets	\$ 16,378
Utah Capital Requirements	\$ 15,000
Utah Restricted Assets	<u>\$ 30,000</u>
Total	<u><u>\$ 861,093</u></u>

STATEMENT AS OF 12-31-2003 OF 933-0079 Private Medical-Care, Inc.

ACTUARIAL OPINION AND MEMORANDUM

Delta Dental Insurance Company
Pennsylvania Insurance Department

24-Jan-02

I, Kimberly Becker, am the Managing Actuary for Delta Dental Insurance Company (DDIC) and a member of the American Academy of Actuaries. I meet the Academy qualification standards for rendering this opinion and am familiar with the valuation requirements applicable to life and health insurance companies and health service corporations. I have been retained by Private Medical-Care, Inc. (PMI) to render this opinion of the 2001 annual statement. Delta Dental Plan of California holds the management contract for PMI and is the controlling shareholder of DDIC.

I have examined the actuarial assumptions and actuarial methods used in determining reserves and related actuarial items listed below, as shown in the annual statement of the company as prepared for filing with the state regulatory officials as of December 31, 2001.

Reserve for Claims:

Incurred but not reported (IBNR) for PMI: \$4,395,000

I have relied upon the PMI Finance department for the substantial accuracy of the supporting data for the liabilities. I have examined the actuarial assumptions and methodologies used in the determination of the above reserves and I performed tests of the actuarial calculations. The reserves stated above are held to cover liabilities for all claims whose payment amounts are based on provider agreements currently in effect. In my opinion, the reserves and related actuarial values concerning the statement items identified above:

A) Are computed in accordance with accepted actuarial standards, consistently applied, and are fairly stated in accordance with sound actuarial principles;

B) Are based on actuarial assumptions which produce reserves at least as great as those called for in any contract provision as to reserve basis and method, and are in accordance with all other contract provisions;

C) Meet the requirements of the Insurance Law and regulation of the State of Pennsylvania and are at least as great as the minimum aggregate amount required by the state in which this statement is filed;

D) Are computed on the basis of assumptions consistent with those used in computing the corresponding items in the annual statement of the preceding year-end;

E) Include provision for all actuarial reserves and related statement items which ought to be established.

This filing is in compliance with the applicable laws of the state of Pennsylvania, the rules of the Department of Insurance, Actuarial Standards of Practice Nos. 5, 8, 16, and the Actuarial Standards of Practice for Financial Reporting Recommendation 10.

This statement is updated annually as required by statute. To the best of my knowledge, there have been no material changes from the applicable date of the annual statement to the date of the rendering of this opinion which should be considered in reviewing this opinion.

This opinion is intended solely for the information and use of the Board of Directors and Management of PMI and for filing with the Pennsylvania Insurance Department and should not be used for any other purpose.

Kimberly A. Becker, ASA, MAAA

Delta Dental Insurance Company
1000 Mansell Exchange West
Building 100, Suite 100
Alpharetta, Georgia 30022
(800) 521-2651

STATEMENT AS OF 12-31-2003 OF 933-0079 Private Medical-Care, Inc.

OVERFLOW PAGE FOR WRITE INS

Page 7 Report #3 Statement of Cash Flow (Direct Method)

	Current	YTD
Due to Affiliate	\$ (347,452)	\$ 363,098
Accrued Capitation	\$ 2,609	\$ 2,372
Interest Receivable	\$ (253)	\$ 2,022
Deposit	\$ -	\$ (599)
Note Receivable	\$ 337,283	\$ 347,797
Deferred Comp.	\$ 21,006	\$ 41,189
	<u>\$ 13,193</u>	<u>\$ 755,879</u>

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